

**Okalla Corp.**  
Suite 4303-9<sup>th</sup> Street SE  
Calgary, Alberta, T2G 3C8  
PHONE: 1-403-537-9940

**FILE No.**  
**82-4221**

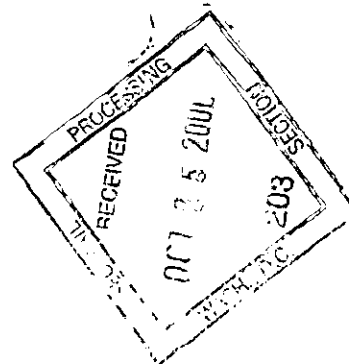


08017763

**SUPPL**

October 17, 2006

United States Securities  
& Exchange Commission  
Washington, DC  
20549  
USA



Dear Sirs:

RE: **Foreign Private Issuer Exemption File No. 82-4221**

Please find enclosed 3 copies of our news release dated October 17, 2006.

Yours truly,

OKALLA CORP.

BARBARA O'NEILL  
SECRETARY

cc. AOK-USSC File

Enclosures

**PROCESSED**

**OCT 31 2006**

**J THOMSON  
FINANCIAL**

*llw 10/20*

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(TSXV – AOK)

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**Update on Acquisition of Web Transaction Services, Inc.**

**Calgary, AB, October 17, 2006** Okalla Corp. ("Okalla") announced today that due to the possible implications of new US legislation in potentially effecting the online payment processing industry, Okalla Corp. will not be extending the date for entering into a formal agreement under the terms and conditions of a letter agreement dated May 31, 2006 with Web Transaction Services Inc. ("WTS") of Austin, Texas. Under this agreement, and as previously disclosed, Okalla had intended to acquire all of the issued and outstanding common shares of WTS.

"Although the ramifications of this new legislation have caused us to re-examine some aspects of an acquisition of WTS, it remains an important part of the growth strategy for Okalla. We are intent on resolving the issues related to the new legislation and to renewing efforts toward our original acquisition objectives." said Clyde Beattie, President and CEO of Okalla Corp. "We expect this US payment processing legislation to have a minimal effect on the business of WTS and no direct effect on the re-emerging business of Probilling. In addition, we are actively seeking out new opportunities which may arise for Okalla from new market conditions resulting from the new regulations".

**About Okalla**

Okalla is a publicly traded online technology company listed on the TSX Venture Exchange under the trading symbol AOK. Through its wholly owned subsidiary, Probilling Inc., the company provides eCommerce payment processing solutions and transaction services to web merchants. Vesa Software Inc. another wholly owned operating subsidiary, develops, licenses and provides hosting and support services for specialized web applications.

**Contacts**

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Corporate Information: [www.okalla.com/about](http://www.okalla.com/about)  
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or

**Gregory Smith, CA, CFO**

Voice: 403-537-9940

Email: [greg.smith@okalla.com](mailto:greg.smith@okalla.com)

The TSX Venture has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release. All statements other than statements of historical fact, in this news release are forward-looking statements that involve various risks and uncertainties, including, without limitation, statements regarding the future plans and objectives of Okalla Corp. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. The Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

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